

378



**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
September 17, 2009

**SUBJECT:** First Amendment to the Agreement of Purchase and Sale of Real Property and Joint Escrow Instructions, Regency Tower

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the attached First Amendment to the Agreement of Purchase and Sale of Real Property and Joint Escrow Instructions located in the City of Riverside, County of Riverside, known as Assessor's Parcel Numbers 215-373-009; 215-373-012 and 215-373-014;

(Continued)

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$4,915,200	<b>In Current Year Budget:</b>	Yes
	<b>Current F.Y. Net County Cost:</b>	\$ -0-	<b>Budget Adjustment:</b>	No
	<b>Annual Net County Cost:</b>	\$ -0-	<b>For Fiscal Year:</b>	09/10
<b>SOURCE OF FUNDS:</b> Tobacco Securitization Funds to be reimbursed by CORAL bond proceeds (\$1,915,200) and General Fund 30121 (\$3M)			<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
			<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY:   
Jennifer L. Sargent

County Executive Office Signature

Reviewed by  
CP TEAM  
  
Christopher Hans

FORM APPROVED COUNTY COUNSEL  
BY:   
CYNTHIA M. GUNZEL  
DATE: 9-17-09  
Department: Concurrence

Consent     Policy

Consent     Policy

Dep't Recomm.:  
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.41 7/29/08; 3.30 10/21/08

District: 2

Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.44

**RECOMMENDED MOTION:** (Continued)

2. Authorize the Chairman to execute the documents necessary to complete the purchase;
3. Authorize and direct the Assistant County Executive Officer of the Economic Development Agency to certify acceptance of any documents in favor of the county, as part of this transaction;
4. Authorize the Assistant County Executive Officer of the Economic Development Agency, or his designee, to execute any other documents and administer all actions necessary to complete this transaction; and
5. Approve a one time in lieu payment of ad valorem taxes in the amount of \$3,000,000 and in accordance with Section 21.12 of the Board-approved Purchase and Sale Agreement dated October 21, 2008.

**BACKGROUND:**

On October 21, 2008, the Board approved Resolution No. 2008-446, authorizing the County of Riverside's purchase of a 260,067 square foot, 10-story office building known as Regency Tower. The purchase price was inclusive of funds to provide the tenant improvements necessary to meet the requirements of the District Attorney.

This Authorization seeks approval to increase the purchase price by \$1,915,200 to include the cost for an additional 27,360 square feet of tenant improvements. The additional turn-key tenant improvements are to accommodate the inclusion of the County Counsel and Probation Department's Administrative offices and to provide for additional security systems.

The County will now space plan the entire building's interior and provide build-to-suit improvements that will meet the current space needs of the District Attorney, County Counsel, and Probation Department Administration offices. By maximizing the occupancy in this new office building, the County will effectively and efficiently maximize the utilization of the facility.

A recently created parcel known as Assessor's Parcel Number 215-373-014 is provided in the referenced First Amendment and amends the legal description of the real property to include this portion of a vacated alley which has been a part of this transaction and project.

(Continued)

**BACKGROUND:** (Continued)

In addition, this First Amendment to the Purchase and Sale Agreement provides the amount now known for the payment of one-time in lieu ad valorem taxes that the County is obligated to tender through escrow. Pursuant to the board approved Purchase and Sale Agreement by and between the County (Buyer) and MS-Regency Tower, LLC, (Seller), the County shall tender \$3,000,000 to help satisfy Section 21.12 of the Agreement regarding this one-time in lieu payment.

County Counsel has reviewed and approved as to legal form.

**FINANCIAL DATA:**

The following summarizes the additional funding necessary to complete the acquisition of this project:

Increase in Purchase Price	\$ 1,915,200
One time In Lieu Payment	<u>\$ 3,000,000</u>
Total Estimated Additional Costs:	\$ 4,915,200

All costs associated with this property acquisition are to be fully funded using advances from the tobacco securitization fund. After market and economic conditions improve, CORAL bonds will be sold and the proceeds used to reimburse all eligible costs. The Executive Office will return to the Board under separate cover for any necessary budget adjustments associated with this transaction for FY 2009/2010. The Economic Development Agency (EDA) will cover the cost of acquisition services at the time of the property transaction, and tobacco securitization funds will be used to reimburse EDA for these costs.

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**FIRST AMENDMENT TO THE AGREEMENT OF  
PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS  
BY AND BETWEEN  
THE COUNTY OF RIVERSIDE  
AND MS-REGENCY TOWER, LLC**

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This First Amendment ("Amendment"), to the Agreement of the Purchase and Sale and Joint Escrow Instructions ("Original Agreement"), is made effective as of the date of execution by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("BUYER") and MS-REGENCY TOWER, LLC, a California Limited Liability Company, ("SELLER").

**RECITALS**

A. The County of Riverside and MS-Regency Tower, LLC entered into the Original Agreement for the purchase and sale of a 10-story office building including parking stalls located on approximately 2.37 acres of land, also known as Assessor's Parcel Numbers 215-373-009 and 215-373-012 in the City of Riverside, California, more particularly described in Exhibit "A", attached hereto and incorporated herein; in addition, Buyer will become the owner through Escrow of additional certain real property located at 3901 Orange Street, Riverside, California, consisting of approximately four hundred (400) condominium parking stalls.

B. The inclusion of the Office of County Counsel and the Department of Probation's administrative offices into the Regency Tower Project resulted in the increase to the purchase price by One Million Nine Hundred Fifteen Thousand Two Hundred Dollars (\$1,915,200) which amounts to the full consideration to the Seller for the cost of providing and constructing an additional twenty seven thousand three hundred sixty (27,360) square feet of turn-key tenant improvements as approved and referenced in item 4 below.

C. New Plans and Specifications serve to reference and include the necessary tenant improvements to be constructed and provided by the Seller due to the inclusion of the

1 Office of County Counsel and the Department of Probation's administrative offices into the  
2 Regency Tower project.

3 D. The parties wish to amend the Original Agreement to provide for an increase in  
4 the purchase price due to the cost of providing tenant improvements that were required to fully  
5 tenant the building.

6 NOW, THEREFORE, in consideration of the mutual obligations in this Amendment and  
7 for other good consideration, the receipt and sufficiency of which are acknowledged, the parties  
8 to this Amendment do hereby agree as follows:

9 1. Effective Date. This Amendment will be effective as of the date it  
10 is approved and fully executed by both the Buyer and Seller.

11 2. Property. Paragraph 1, subsection (b) "Property" of the Original  
12 Agreement, is hereby amended as follows with all other terms and conditions remaining in full  
13 force and effect:

14 (b) "Property": Seller is the owner of certain real property referred to  
15 as Regency Tower "Building" located at 3960 Orange Street, Riverside, California an office  
16 building that is currently under construction and upon completion will consist of approximately  
17 260,000 square feet of office space located on approximately 2.37 acres of land including  
18 approximately three hundred twenty (320) subterranean parking stalls to be constructed below  
19 the building, also known as Assessor's Parcel Numbers 215-373-009, 215-373-012 and 215-  
20 373-014 in the City of Riverside, California, more particularly described in Exhibit "A" attached  
21 hereto and incorporated herein; and inclusive of a portion of a vacated alley. In addition, and  
22 as part of the Purchase Price, Seller will purchase and convey to Buyer the ownership through  
23 Escrow of additional certain real property located at 3901 Orange Street, Riverside, California,  
24 and consisting of four hundred (400) condominium parking stalls;

25 3. Purchase Price. Paragraph 1, subsection (c) "Purchase Price" of the

1 Original Agreement, is amended as follows:

2 (c) "Purchase Price": The Purchase Price for the Property is One  
3 Hundred Twenty Eight Million Four Hundred Fifteen Thousand Two Hundred Dollars  
4 (\$128,415,200);"

5 4. Modification of Exhibits. Exhibit "D", Approved Tenant Improvement  
6 Plans and Specifications, in the Original Agreement will now include the following approved  
7 and referenced Plans and Specifications, which shall be incorporated with the prior approved  
8 and related Plans and Specifications:

9 a. Construction Drawings by Langdon Wilson dated July 21, 2009  
10 and referenced as Floors 1-4 and 7-10.

11 b. Construction Drawings by Langdon Wilson dated July 14, 2009  
12 and referenced as County Counsel 5<sup>th</sup> Floor.

13 c. Construction Drawings by Langdon Wilson dated July 14, 2009  
14 and referenced as Probation Department 6<sup>th</sup> Floor.

15 d. Security System Specifications by Langdon Wilson dated June 5,  
16 2009.

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1                   5.       Entire Agreement.   This Amendment, together with the Original  
2 Agreement, constitutes the entire agreement between the parties to the Original Agreement  
3 pertaining to the subject matter of this Amendment, and any and all other written or oral  
4 agreements existing between the parties before the date of this Amendment with respect to the  
5 subject matter of this Amendment are expressly canceled.

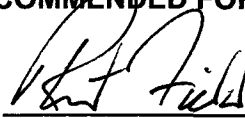
6                   IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized  
7 representatives to execute this Amendment.

8  
9 Date: \_\_\_\_\_

**SELLER**  
MS-REGENCY TOWER, LLC, a California  
Limited Liability Company

10  
11 By: \_\_\_\_\_  
12                   Moshe Sifagi  
13                   Its: General Manager

14 **RECOMMENDED FOR APPROVAL:**

15 By:   
16                   Robert Field  
17                   Assistant County Executive Officer/EDA

**BUYER**  
COUNTY OF RIVERSIDE, a political  
subdivision of the State of California

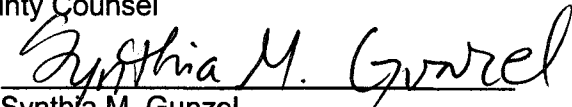
18 By: \_\_\_\_\_  
19                   Jeff Stone, Chairman  
20                   Board of Supervisors

**ATTEST:**  
Kecia Harper-Ihem  
Clerk of the Board

21 By: \_\_\_\_\_  
22                   Deputy

**APPROVED AS TO FORM:**

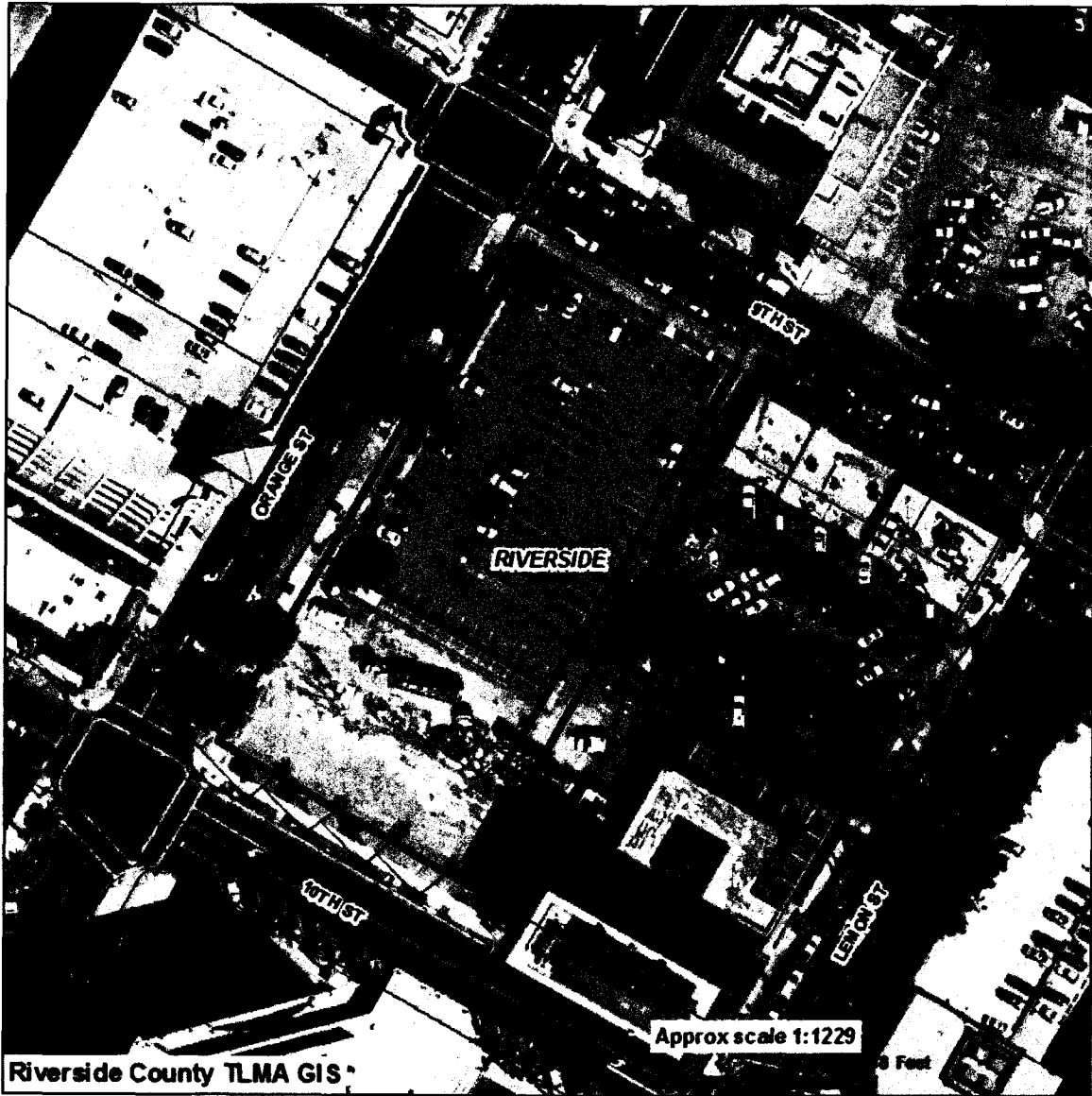
Pamela J. Walls  
County Counsel

23 By:   
24                   Cynthia M. Gunzel  
25                   Deputy County Counsel

BP:jw  
09/02/09  
008CP  
12.825

EXHIBIT A

Regency Tower



Selected parcel(s):  
215-373-009 215-373-012 215-373-014

**\*IMPORTANT\***

This information is made available through the Riverside County Geographic Information System. The information is for reference purposes only. It is intended to be used as base level information only and is not intended to replace any recorded documents or other public records. Contact appropriate County Department or Agency if necessary. Reference to recorded documents and public records may be necessary and is advisable.

REPORT PRINTED ON...Wed Jun 24 16:28:33 2009

EXHIBIT A

**LEGAL DESCRIPTION**

PARCEL A:

ALL THAT PORTION OF BLOCK 9, RANGE 5, AS SHOWN BY MAP OF THE TOWN OF RIVERSIDE, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF BLOCK 9, RANGE 5, AS SHOWN BY MAP OF TOWN OF RIVERSIDE, ON FILE IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF NINTH STREET, 157 FEET TO THE WESTERLY LINE OF AN ALLEY;

THENCE AT RIGHT ANGLES SOUTHERLY AND ALONG THE WESTERLY LINE OF ALLEY OF 100 FEET;

THENCE AT RIGHT ANGLES WESTERLY AND PARALLEL WITH THE SOUTHERLY LINE OF NINTH STREET, 157 FEET TO THE EASTERLY LINE OF ORANGE STREET; THENCE NORTHERLY ALONG SAID EASTERLY LINE OF ORANGE STREET, 100 FEET TO THE POINT OF BEGINNING;

EXCEPT THE NORTHWEST 16 FEET THEREOF, AS CONDEMNED BY THE CITY OF RIVERSIDE, A CERTIFIED COPY OF THE DECREE OF CONDEMNATION BEING RECORDED SEPTEMBER 21, 1931 IN BOOK 46 PAGE 68 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF THE SIDE LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID SITE OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF THE SITE OR ANY PORTION THEREOF WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER, OR TO USE THE SITE IN SUCH A MANNER AS TO CREATE A DISTURBANCE TO THE USE OR ENJOYMENT OF THE SITE, AS RESERVED IN DEED RECORDED JANUARY 17, 2008 AS INSTRUMENT NO. 2008-0027557, OF OFFICIAL RECORDS AND AUGUST 19, 2008 AS INSTRUMENT NO. 2008-0458354, OF OFFICIAL RECORDS.

PARCEL B:

ALL THAT PORTION OF BLOCK 9, RANGE 5, AS SHOWN BY MAP OF THE TOWN OF RIVERSIDE, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

## LEGAL DESCRIPTION

(continued)

BEGINNING AT A POINT ON THE EASTERLY LINE OF ORANGE STREET, 100 FEET SOUTHERLY FROM THE NORTHWESTERLY CORNER OF SAID BLOCK; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF ORANGE STREET, 79 FEET TO A POINT 151 FEET NORTHERLY FROM THE SOUTHWESTERLY CORNER OF SAID BLOCK; THENCE EASTERLY ON LINE PARALLEL WITH THE SOUTHERLY LINE OF NINTH STREET, 157 FEET, MORE OR LESS, TO THE WESTERLY LINE OF 16 FOOT ALLEY; THENCE NORTHERLY ON A LINE PARALLEL WITH THE EASTERLY LINE OF ORANGE STREET AND ALONG THE WESTERLY LINE OF SAID ALLEY, 79 FEET; THENCE WESTERLY ON A LINE PARALLEL WITH THE SOUTHERLY LINE OF NINTH STREET AND 100 FEET SOUTHERLY THEREFROM, 157 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

EXCEPT THE NORTHWEST 16 FEET THEREOF, AS CONDEMNED BY THE CITY OF RIVERSIDE, A CERTIFIED COPY OF THE DECREE OF CONDEMNATION BEING RECORDED SEPTEMBER 21, 1931 IN BOOK 46 PAGE 68 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF THE SIDE LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID SITE OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF THE SITE OR ANY PORTION THEREOF WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER, OR TO USE THE SITE IN SUCH A MANNER AS TO CREATE A DISTURBANCE TO THE USE OR ENJOYMENT OF THE SITE, AS RESERVED IN DEED RECORDED JANUARY 17, 2008 AS INSTRUMENT NO. 2008-0027557, OF OFFICIAL RECORDS AND AUGUST 19, 2008 AS INSTRUMENT NO. 2008-0458354, OF OFFICIAL RECORDS.

PARCEL C:

ALL THAT PORTION OF BLOCK 9, RANGE 5, AS SHOWN BY MAP OF TOWN OF RIVERSIDE, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED IN BOOK 7, PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF ORANGE STREET, 179 FEET SOUTHERLY FROM THE NORTHWESTERLY CORNER OF SAID BLOCK; THENCE SOUTHERLY ON THE EASTERLY LINE OF ORANGE STREET, 35 FEET TO A POINT 116 FEET NORTHERLY FROM THE SOUTHWEST CORNER OF SAID BLOCK; THENCE EASTERLY ON A LINE PARALLEL WITH THE NORTHERLY LINE OF 10TH STREET, 157 FEET, MORE OR LESS TO A 16 FOOT ALLEY; THENCE NORTHERLY ON A LINE PARALLEL WITH THE EASTERLY LINE OF ORANGE STREET, 35 FEET; THENCE WESTERLY ON A LINE PARALLEL WITH THE NORTHERLY LINE OF 10TH STREET, 157 FEET, MORE OR LESS TO A POINT OF BEGINNING.

## LEGAL DESCRIPTION

(continued)

EXCEPT THE NORTHWEST 16 FEET THEREOF, AS CONDEMNED BY THE CITY OF RIVERSIDE, A CERTIFIED COPY OF THE DECREE OF CONDEMNATION BEING RECORDED SEPTEMBER 21, 1931 IN BOOK 46 PAGE 68 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF THE SIDE LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID SITE OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF THE SITE OR ANY PORTION THEREOF WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER, OR TO USE THE SITE IN SUCH A MANNER AS TO CREATE A DISTURBANCE TO THE USE OR ENJOYMENT OF THE SITE, AS RESERVED IN DEED RECORDED JANUARY 17, 2008 AS INSTRUMENT NO. 2008-0027557, OF OFFICIAL RECORDS AND AUGUST 19, 2008 AS INSTRUMENT NO. 2008-0458354, OF OFFICIAL RECORDS.

PARCELS "A" "B" AND "C" ARE ALSO KNOWN AS PARCEL 1, AS SHOWN ON RECORD OF SURVEY BOOK 121, PAGES 8 AND 9, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL D:

ALL THAT PORTION OF BLOCK 9, RANGE 5, AS SHOWN BY MAP OF THE TOWN OF RIVERSIDE, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED IN BOOK 7 PAGE 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF ORANGE STREET, 214 FEET SOUTHERLY FROM THE NORTHWEST CORNER OF SAID BLOCK;

THENCE SOUTHERLY ALONG THE EASTERLY LINE OF ORANGE STREET, 50 FEET TO A POINT 66 FEET NORTHERLY FROM THE SOUTHWESTERLY CORNER OF SAID BLOCK;

THENCE EASTERLY AND PARALLEL WITH THE NORTHERLY LINE OF TENTH STREET, 157 FEET, MORE OR LESS, TO A 16 FOOT ALLEY;

THENCE NORTHERLY ON A LINE PARALLEL WITH THE EASTERLY LINE OF ORANGE STREET AND ALONG THE WESTERLY LINE OF SAID ALLEY, 50 FEET;

THENCE WESTERLY ON A LINE PARALLEL WITH THE SOUTHERLY LINE OF NINTH STREET, 157 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THE WESTERLY RECTANGULAR 16 FEET THEREOF FOR WIDENING OF ORANGE STREET.

## LEGAL DESCRIPTION

(continued)

ALSO EXCEPT ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF THE SIDE LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID SITE OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF THE SITE OR ANY PORTION THEREOF WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER, OR TO USE THE SITE IN SUCH A MANNER AS TO CREATE A DISTURBANCE TO THE USE OR ENJOYMENT OF THE SITE, AS RESERVED IN DEED RECORDED JANUARY 17, 2008 AS INSTRUMENT NO. 2008-0027557, OF OFFICIAL RECORDS AND AUGUST 19, 2008 AS INSTRUMENT NO. 2008-0458354, OF OFFICIAL RECORDS.

PARCEL "D" IS ALSO KNOWN AS A PORTION OF PARCEL 2, AS SHOWN ON RECORD OF SURVEY BOOK 121, PAGES 8 AND 9, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL E:

THAT PORTION OF LOTS 5 AND 10 IN BLOCK 9, RANGE 5 AS SHOWN BY MAP OF THE TOWN OF RIVERSIDE, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN MAP BOOK 7 PAGE 17 IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID LOT 5, SAID CORNER BEING THE INTERSECTION OF THE NORTHWEST LINE OF LEMON STREET WITH THE NORTHEAST LINE OF TENTH STREET AS SHOWN ON SAID MAP;

THENCE NORTHWESTERLY 141 FEET, ON SAID NORTHEAST LINE OF TENTH STREET TO THE TRUE POINT OF BEGINNING;

THENCE NORTHEASTERLY, PARALLEL WITH SAID NORTHWEST LINE OF LEMON STREET, 66 FEET TO THE NORTHEAST LINE OF LOT 5;

THENCE NORTHWESTERLY ON THE NORTH LINE OF LOT 5 AND LOT 10, A DISTANCE OF 173 FEET;

THENCE SOUTHWESTERLY PARALLEL TO LEMON STREET, A DISTANCE OF 66 FEET TO THE NORTHEAST LINE OF TENTH STREET;

THENCE SOUTHEASTERLY ALONG THE NORTHEAST LINE OF TENTH STREET 173 FEET TO THE POINT OF BEGINNING.

## LEGAL DESCRIPTION

(continued)

EXCEPT FROM SAID LOT 10 THE NORTHWEST 16 FEET THEREOF, AS CONDEMNED BY THE CITY OF RIVERSIDE, A CERTIFIED COPY OF THE DECREE OF CONDEMNATION BEING RECORDED SEPTEMBER 21, 1931 IN BOOK 46 PAGE 68 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH, AND TO USE AND OCCUPY ALL PARTS OF THE SIDE LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID SITE OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF THE SITE OR ANY PORTION THEREOF WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER, OR TO USE THE SITE IN SUCH A MANNER AS TO CREATE A DISTURBANCE TO THE USE OR ENJOYMENT OF THE SITE, AS RESERVED IN DEED RECORDED JANUARY 17, 2008 AS INSTRUMENT NO. 2008-0027557, OF OFFICIAL RECORDS AND AUGUST 19, 2008 AS INSTRUMENT NO. 2008-0458354, OF OFFICIAL RECORDS.

PARCEL "E" IS ALSO KNOWN AS A PORTION PARCEL 2 AS SHOWN ON RECORD OF SURVEY BOOK 121, PAGES 8 AND 9, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL F:

ALL THAT PORTION OF BLOCK 9, RANGE 5, AS SHOWN BY MAP OF THE TOWN OF RIVERSIDE, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED IN BOOK 7 PAGE 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

THE SOUTHWESTERLY 92.00 FEET OF THE 16 FOOT WIDE ALLEY WHICH LIES BETWEEN LOTS 1 THROUGH 4 AND 6 THROUGH 9 OF BLOCK 9 AS SHOWN ON SAID TOWN OF RIVERSIDE MAP.

END OF LEGAL DESCRIPTION